

**Alter Highlighted Terms for Interactive NPV Analysis**

**Program Parameters**

Current Freddie rate	4.4%
Program interest rate floor	2.0%

**Loan origination information and current status**

Original Loan Amount	\$300,000
Original Amortization Term	360
Original Interest Rate	7.000%
Interest only loan (Y/N)	Y
Current UPB	\$290,000
Current Rate	7.000%
Remaining Term	336
Months past due	3
Property state	CA
Advances/Escrow	\$250
Current Monthly Mortgage Payment	\$1,750.00
Current Interest Payment	\$1,750.00
Current Principal Payment	\$0.00
Past Due Interest	\$6,767
UPB Adjusted for Accrued Interest and Escrow	\$297,017

Borrower and loan information

Calculates P&I or IO payment based on original loan terms, user may adjust this field.

Sum of current UPB, past due interest, and advances

**Borrower status**

Monthly Income*	\$4,000
Monthly Taxes and Insurance	\$83

Based on property state - User should provide property specific information

**Foreclosure Scenario**

UPB Adjusted for Accrued Interest and Escrow	\$297,017
Current Value	\$210,000
Home Price Appreciation Forecast	-4%
REO Stigma Discount	20%
Months to Foreclosure	2
Months to REO sale	3
Foreclosure Costs	\$2,140
Future Interest and Advanced Escrow	\$8,876
REO Value	\$150,264
Zero Cure PV Loss	(\$145,689)
Cure Rate	15%
PV Probability Wtd Loss	(\$123,835)

Assumptions specific to the property location. User must supply property specific information

Present value of loss given foreclosure Assumption specific to the loan and borrower. User must supply this input. Present value of loss given foreclosure weighted by the likelihood of the loan reperforming

**Present Value of Modification**

Affordable DTI level	38%
Modified Payment*	\$1,436.53
Interest Rate at 30 Year Term	3.8%
Interest Rate with 40 Year Term	4.4%

Remaining term used for modification

**Modified Loan Terms Required to Achieve Modified Payment**

UPB adjusted for Accrued Interest and Escrow	\$297,017	Equal to Cell B30
Modified Rate	3.795%	Modification interest rate
Modified Payment	\$1,436.53	Modification payment
Modified Loan Term	336	Modification amortization term
Modified Full Am Payment	\$1,436.53	Calculations required to determine amount of principal forbearance
Difference from Affordable Payment	\$0.00	
Principal Forbearance	\$0.00	
PV Reduced Cash Flow	(\$7,309.70)	

**Valuation Given Redefault After Modification**

Months to Redefault	3	User inputs expected months to default
Redefault Rate	40%	Assumptions specific to the property location and borrower/loan characteristics. User must supply these inputs.
Home Price Appreciation Forecast (from current date to modification redefault disposition)	-5%	
Future Interest and Advanced Escrow	\$ 8,144	
REO Value	\$ 149,316	
PV Estimated Loss	(\$142,009)	

**Value of Modification**

Modification Value	(\$61,190)	Present value of the modification weighted by the probability of the modification performing and redefaulting
Benefit from Modification	\$62,645.68	
NPV Test (Pass/Fail)	Pass	

**Modification Terms**

% Difference from Original Payment	-17.9%
Borrower Payment after months:	
1	\$1,436.53
60	\$1,520.02
72	\$1,520.02
84	\$1,520.02
96	\$1,520.02
108	\$1,520.02

\*Spreadsheet currently calculates the Modified Payment per a 38-31% DTI standard.